

TITLE XX—GRADUATE MEDICAL EDUCATION PROGRAMS IN CHILDREN'S HOSPITALS

SEC. 2001. PROVISIONS TO REVISE AND EXTEND PROGRAM.

(a) **PAYMENTS.**—Section 340E(a) of the Public Health Service Act (42 U.S.C. 256e(a)) is amended—

(1) by striking “and 2001” and inserting “through 2005”; and

(2) by adding at the end the following: “The Secretary shall promulgate regulations pursuant to the rulemaking requirements of title 5, United States Code, which shall govern payments made under this subpart.”.

(b) **UPDATING RATES.**—Section 340E(c)(2)(F) of the Public Health Service Act (42 U.S.C. 256e(c)(2)(F)) is amended by striking “hospital’s cost reporting period that begins during fiscal year 2000” and inserting “Federal fiscal year for which payments are made”.

(c) **RESIDENT COUNT FOR INTERIM PAYMENTS.**—Section 340E(e)(1) of the Public Health Service Act (42 U.S.C. 256e(e)(1)) is amended by adding at the end the following: “Such interim payments to each individual hospital shall be based on the number of residents reported in the hospital’s most recently filed Medicare cost report prior to the application date for the Federal fiscal year for which the interim payment amounts are established. In the case of a hospital that does not report residents on a Medicare cost report, such interim payments shall be based on the number of residents trained during the hospital’s most recently completed Medicare cost report filing period.”.

(d) **WITHHOLDING.**—Section 340E(e)(2) of the Public Health Service Act (42 U.S.C. 256e(e)(2)) is amended—

(1) by adding “and indirect” after “direct”; and

(2) by adding at the end the following: “The Secretary shall withhold up to 25 percent from each interim installment for direct and indirect graduate medical education paid under paragraph (1) as necessary to ensure a hospital will not be overpaid on an interim basis.”.

(e) **RECONCILIATION.**—Section 340E(e)(3) of the Public Health Service Act (42 U.S.C. 256e(e)(3)) is amended to read as follows:

“(3) **RECONCILIATION.**—Prior to the end of each fiscal year, the Secretary shall determine any changes to the number of residents reported by a hospital in the application of the hospital for the current fiscal year to determine the final amount payable to the hospital for the current fiscal year for both direct expense and indirect expense amounts. Based on such determination, the Secretary shall recoup any overpayments made to pay any balance due to the extent possible. The final amount so determined shall be considered a final intermediary determination for the purposes of section 1878 of the Social Security Act and shall be subject to administrative and judicial review under that section in the same manner as the amount of payment under section 1186(d) of such Act is subject to review under such section.”.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—Section 340E(f) of the Public Health Service Act (42 U.S.C. 256e(f)) is amended—

(1) in paragraph (1)(A)—

- (A) in clause (i), by striking “and” at the end;
- (B) in clause (ii), by striking the period and inserting “; and”; and
- (C) by adding at the end the following:
 - “(iii) for each of the fiscal years 2002 through 2005, such sums as may be necessary.”; and
- (2) in paragraph (2)—
 - (A) in subparagraph (A), by striking “and” at the end;
 - (B) in subparagraph (B), by striking the period and inserting “; and”; and
 - (C) by adding at the end the following:
 - “(C) for each of the fiscal years 2002 through 2005, such sums as may be necessary.”.

(g) **DEFINITION OF CHILDREN’S HOSPITAL.**—Section 340E(g)(2) of the Public Health Service Act (42 U.S.C. 256e(g)(2)) is amended by striking “described in” and all that follows and inserting the following: “with a Medicare payment agreement and which is excluded from the Medicare inpatient prospective payment system pursuant to section 1886(d)(1)(B)(iii) of the Social Security Act and its accompanying regulations.”.

TITLE XXI—SPECIAL NEEDS OF CHILDREN REGARDING ORGAN TRANSPLANTATION

SEC. 2101. ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK; AMENDMENTS REGARDING NEEDS OF CHILDREN.

(a) **IN GENERAL.**—Section 372(b)(2) of the Public Health Service Act (42 U.S.C. 274(b)(2)) is amended—

- (1) in subparagraph (J), by striking “and” at the end;
- (2) in each of subparagraphs (K) and (L), by striking the period and inserting a comma; and

(3) by adding at the end the following subparagraphs:

“(M) recognize the differences in health and in organ transplantation issues between children and adults throughout the system and adopt criteria, policies, and procedures that address the unique health care needs of children,

“(N) carry out studies and demonstration projects for the purpose of improving procedures for organ donation procurement and allocation, including but not limited to projects to examine and attempt to increase transplantation among populations with special needs, including children and individuals who are members of racial or ethnic minority groups, and among populations with limited access to transportation, and

“(O) provide that for purposes of this paragraph, the term ‘children’ refers to individuals who are under the age of 18.”.

(b) **STUDY REGARDING IMMUNOSUPPRESSIVE DRUGS.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services (referred to in this subsection as the “Secretary”) shall provide for a study to determine the costs of immunosuppressive drugs that are provided to children pursuant to organ transplants and to determine the extent to which health plans and